

Conceptual Framework for Forest Offsets and Credits and Priorities for Workgroup Attention

This document lays out a framework for considering forest offsets and/or credits in three categories: project types, design principles, and other incentive programs. Project types are listed below *in order of their priority for the Workgroup's attention* as synthesized from the homework submittals. Also listed under each numbered project type are key information needs, questions, and policy issues raised in the homework submittals. The second category, design principles, cuts across the project types, as some version of the design principles will be necessary to implement any project type. A short list of key issues relating to design principles is included below. Finally, a small number of comments received about other incentive programs is reflected as the third category. This category will also be taken up as a crosscutting item in connection with each project type.

I. Project types

1. Credits for **avoided conversion to non-forest cover** [*F-2¹]
 - a. Need info about land use regulations/right to convert
 - b. Quantification/measurement/accounting criteria?
 - c. Conservation set-asides (as of, or after, the effective date of 2815)
 - d. Why haven't other markets adopted these projects? (How to deal with leakage?)
 - e. Need for accurate data to determine baseline and monitor trends
2. Credits for **active forest management & harvested wood products** [*F-5]
 - a. Determination of baseline and additionality [OR working on]
 - i. No disadvantage to WA compared to other states
 - ii. Account for site-class
 - b. Quantification/measurement/accounting criteria?
 - c. Who owns the credit for wood products?
 - d. Role of co-benefits (e.g., biodiversity; economics/jobs)
3. Credits for **afforestation/reforestation** (delegated to subgroup)
 - a. Urban and community forests [*F-8]
 - i. Quantification/measurement/accounting criteria?
4. Credits for **substitution** of wood for fossil fuel-intensive products
 - a. Quantification/measurement/accounting criteria?
5. Credits for **avoided emissions from fire & other natural disturbances** [*F-1] (With regard to traditional levels of fire and natural disturbances, this topic may be taken up at the same time that category 2 is considered, to the extent possible. With regard to uncharacteristically large, severe, or frequent disturbances (typically in Eastern Washington), this topic merits separate attention.)
 - a. Quantification/measurement/accounting criteria?

¹ *F — refers to “most promising” policy options from the 2007 CAT

6. Credit for **biomass energy**

- a. Issue: need for increased fiber availability
- b. Commercialization of lignocellulosic processes [***F-7**]

II. Design principles for specific offset project types

- a. Real, additional, verifiable, permanent, enforceable
 - i. Specific definitions of these terms
 - ii. Liability in the event of failure of permanence/leakage
- b. Avoiding leakage
- c. Accounting criteria and procedures
 - i. Protocols for calculating baselines
 - ii. Procedures for verification/certification
- d. Applicability of existing standards-based protocols

III. "Other" incentive programs/alternatives to offsets

- a. What are the alternatives?
 - i. Voluntary opt-in to cap & trade?
 - ii. Maintenance of forest infrastructure as a means to reduce conversion?
 - iii. Others?